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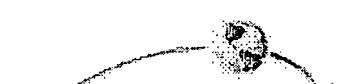
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Business Wire

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Other available formats: [Abstract](#)**Online Registry Makes Holiday Shopping Stress-Free, Provides Funds for Children's Hospitals****Business Editors/High Tech Writers**, *Business Wire*, New York: Dec 13, 1999, pg. 1[» Jump to full text](#) [» Translate document from:](#) [» More Like This](#) - Find similar documentsAuthor(s): [Business Editors/High Tech Writers](#)Publication title: [Business Wire](#), New York: Dec 13, 1999, pg. 1Source type: [Wire Feed](#)

ProQuest document ID: 47157712

Text Word Count: 599

Document URL: <http://proquest.umi.com/pqdweb?did=47157712&sid=6&Fmt=3&clientId=19649&RQT=309&VName=PQD>**Abstract (Document Summary)**

Starting today, Children's Miracle Network has implemented a gift registry on its Web site (<http://www.cmn.org>), allowing shoppers to find the perfect gift for everyone on their gift list. By using the registry, a percentage of the profits from each sale go directly to CMN's member hospitals.

"The holidays are a special time to remember children whose unique circumstances make it impossible for them to lead normal, healthy lives. Customers purchasing gifts on the Web through NetGift Registry automatically generate a monetary contribution to their local CMN member hospital to help children in their hometown," said Susan Roady, Vice President, Marketing and Promotion for Children's Miracle Network.

The CMN registry is powered by the NetGift Registry Network - the Internet's first network of online gift registries linked across a multitude of Web sites. The NetGift Network - visible at 50+ sites - contains more than 3 million gift items from more than 350 leading online retailers.

Full Text (599 words)

Copyright © Business Wire Dec 13, 1999

SALT LAKE CITY--(BUSINESS WIRE)--Dec. 13, 1999--

Children's Miracle Network implements NetGift Registry,

allowing shoppers to "give twice"

Benefiting 14 million children suffering from life-threatening illnesses, Children's Miracle Network today announced a new program enabling shoppers to assist the 170 children's hospitals while completing their holiday shopping.

Starting today, Children's Miracle Network has implemented a gift registry on its Web site (<http://www.cmn.org>), allowing shoppers to find the perfect gift for everyone on their gift list. By using the registry, a percentage of the profits from each sale go directly to CMN's member hospitals.

"The holidays are a special time to remember children whose unique circumstances make it impossible for them to lead normal, healthy lives. Customers purchasing gifts on the Web through NetGift Registry automatically generate a monetary contribution to their local CMN member hospital to help children in their hometown," said Susan Roady, Vice President, Marketing and Promotion for Children's Miracle Network.

The CMN registry is powered by the NetGift Registry Network - the Internet's first network of online gift registries linked across a multitude of Web sites. The NetGift Network - visible at 50+ sites - contains more than 3 million gift items from more than 350 leading online retailers.

"With CMN relying on public support to fund its operations throughout the U.S., we're pleased to assist them with this fund-raising effort," said Kevin Howard, NetGift Registry's Vice President of Business Development and Marketing. "Their registry at <http://www.cmn.org> is an excellent way for consumers to finish their holiday shopping and give to a worthy organization - all while never leaving the comfort of their homes."

Founded in 1983, Children's Miracle Network is the dominant organization actively providing better health care for millions of children through its affiliated hospitals. The 170 children's hospitals associated with CMN represent the premier facilities in their respective communities and some of the finest hospitals in the world.

With the new CMN Registry, shoppers register for gifts, create a "Gift Circle" of family and friends and share all preferences securely. The registry utilizes BroadVision's One-To-One Commerce to provide customers with a secure, scalable, robust e-commerce technology platform in which they feel safe shopping on the Internet.

About Children's Miracle Network

Children's Miracle Network (CMN) is a year-round effort dedicated to helping hospitalized kids. Through a network of sports and entertainment personalities, corporate partners, 200 television stations and 60 radio stations, funds are generated to benefit kids treated at 170 hospitals throughout North America. The hallmark of CMN is that 100% of locally

generated donations stay in the community in which they are made to benefit children at participating hospitals.

The hospitals affiliated with CMN care for all children with any affliction, including cancer, muscular and cardiovascular diseases, injuries, birth defects and pediatric AIDS; they pride themselves on treating the whole child and providing care regardless of a family's ability to pay. These non-profit hospitals depend on public support; Children's Miracle Network makes it possible for communities to donate necessary funding to maintain and upgrade the hospital's programs and facilities.

Annual fund raising efforts culminate with the broadcast of CMN Champions scheduled to air June 3-4, 2000.

About NetGift Registry, LLC

Founded in 1998, NetGift Registry, Inc. (Durham, North Carolina) provides software tools that integrate a state-of-the-art gift registry service into the websites of merchants, communities, non-profit organizations, portals and other Internet destinations. NetGift ties all of its sites together with the industry's first online all-occasion gift registry network. NetGift Registry is the first company launched by Fusion Ventures, LLC, a North Carolina-based seed-stage business development fund and business incubator.

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Document View[« Back to Results](#)[< Previous Document 17 of 46 Next >](#)[Print](#)[Email](#) [Mark Document](#)[Publisher Information](#)**Other available formats:** [Abstract](#)**NetGift Debuts as Exclusive USATODAY.com Gift Registry***Business Editors, Business Wire, New York, Nov 17, 1999, pg. 1*[» Jump to full text](#)[» Translate document from: Select language](#)[» More Like This - Find similar documents](#)People: [Furst, Steve](#)Author(s): [Business Editors](#)Publication title: [Business Wire: New York: Nov 17, 1999, pg. 1](#)Source type: [Wire Feed](#)

ProQuest document ID: 46435293

Text Word Count 451

Document URL: <http://proquest.umi.com/pqdweb?did=46435293&sid=6&Fmt=7&clientId=19649&RQT=309&VName=PQD>**Abstract (Document Summary)**

Christening its network of 64 different websites, NetGift Registry CEO Steve Furst announced his company's debut on the popular USATODAY.com website.

Through its exclusive arrangement with USATODAY.com and a massive advertising campaign on the website, NetGift plans to reach the millions of users that view USATODAY.com every month.

"We are pleased to have NetGift Registry as the exclusive gift registry on USATODAY.com," said Lorraine Cichowski, Senior VP and Publisher, USATODAY.com. "NetGift's service will enhance USATODAY.com's Marketplace and provide our customers with a unique and convenient shopping tool for all of their gift needs."

Full Text (451 words)

Copyright © Business Wire Nov 17, 1999

DURHAM, N.C.--(BUSINESS WIRE)--Nov. 17, 1999--

Gift Registry Now Available On The Nation's no. 1 Newspaper Site

Christening its network of 64 different websites, NetGift Registry CEO Steve Furst announced his company's debut on the popular USATODAY.com website.

Through its exclusive arrangement with USATODAY.com and a massive advertising campaign on the website, NetGift plans to reach the millions of users that view USATODAY.com every month.

"We are pleased to have NetGift Registry as the exclusive gift registry on USATODAY.com," said Lorraine Cichowski, Senior VP and Publisher, USATODAY.com. "NetGift's service will enhance USATODAY.com's Marketplace and provide our customers with a unique and convenient shopping tool for all of their gift needs."

"This is a great day for NetGift and USATODAY.com," added Steve Furst, CEO of NetGift. "We are able to bring a gift registry with over 3 million items from over 300 stores to USATODAY.com's 14 million unique monthly users."

USATODAY.com, the leading general interest news site on the Internet, delivers a world overview 24 hours per day, seven days per week to 14 million unique monthly visitors with 200,000 pages of breaking news, sports, financial news, technology reviews, worldwide weather, lifestyle/entertainment coverage and interactive multimedia features. Currently, over 30 e-commerce vendors work with USATODAY.com in its dedicated online shopping area, Marketplace.

Although details of the deal were not made public, it was disclosed that USATODAY.com and NetGift will be sharing in the revenues from sales through the site. NetGift's Furst said he expects sales through USATODAY.com to be brisk.

"The majority of USATODAY.com's users are both highly paid professionals and Internet-savvy," said Furst. "The median income of USATODAY.com users is almost \$70,000 and 84% of them have shopped online in the past six months."

Visitors to USATODAY.com and other NetGift Registry network sites can list the gifts they want in the online registry. Family and friends can then access the registry anywhere via the Internet and buy those gifts at the click of a button. Users can also shop on the site without making a gift list.

"NetGift is different from other gift registries in that we offer over 340 different quality online merchants," said Furst. "With over 3 million different products to choose from, we are the world's largest gift registry."

Furst said USATODAY.com is only one of many different websites that makes up the NetGift Registry Network. According to Furst, by next month, NetGift will have permanent placement on other popular websites including NYTimes.com, Children's Miracle Network, Knight-Ridder's nationwide Real Cities Network, LATimes.com, Family Shoebox.com, WashingtonPost.com, and more top Internet sites.

"Our goal is to have the NetGift Registry in front of every user on the

Internet," said Furst. "We're going to where the people are across the Internet."

More Like This - Find similar documentsPeople: Furst, SteveAuthor(s): Business EditorsLanguage: EnglishPublication title: Business Wire Mark Document**Publisher Information**[^ Back to Top](#)[« Back to Results](#)[< Previous Document 17 of 46 Next >](#)

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User Name

Password



[Forget your password?](#)

NetGift Registry is easy to use, fun and free!



Put the web to work for gift giving AND gift getting!

**Welcome To NetGift Registry,
The Internet's all-occasion gift registry network!**

We let you bring together people for any special occasion... and our service is completely **free!**



Finally, you can find out exactly what to give when you view the Gift List of someone you know or love.



Help your friends and family pick a gift they know you'll love!

We're a shopping site too! NetGift Registry is proud to offer millions of products from hundreds of great companies including:



ValueAmerica

BUY.COM



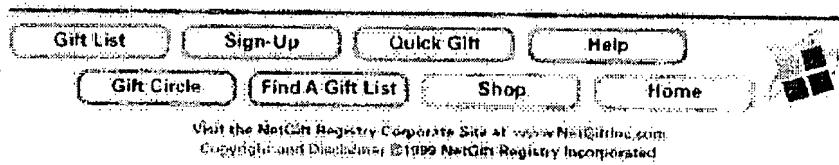
Spend a few minutes with us to get the most out of NetGift Registry.

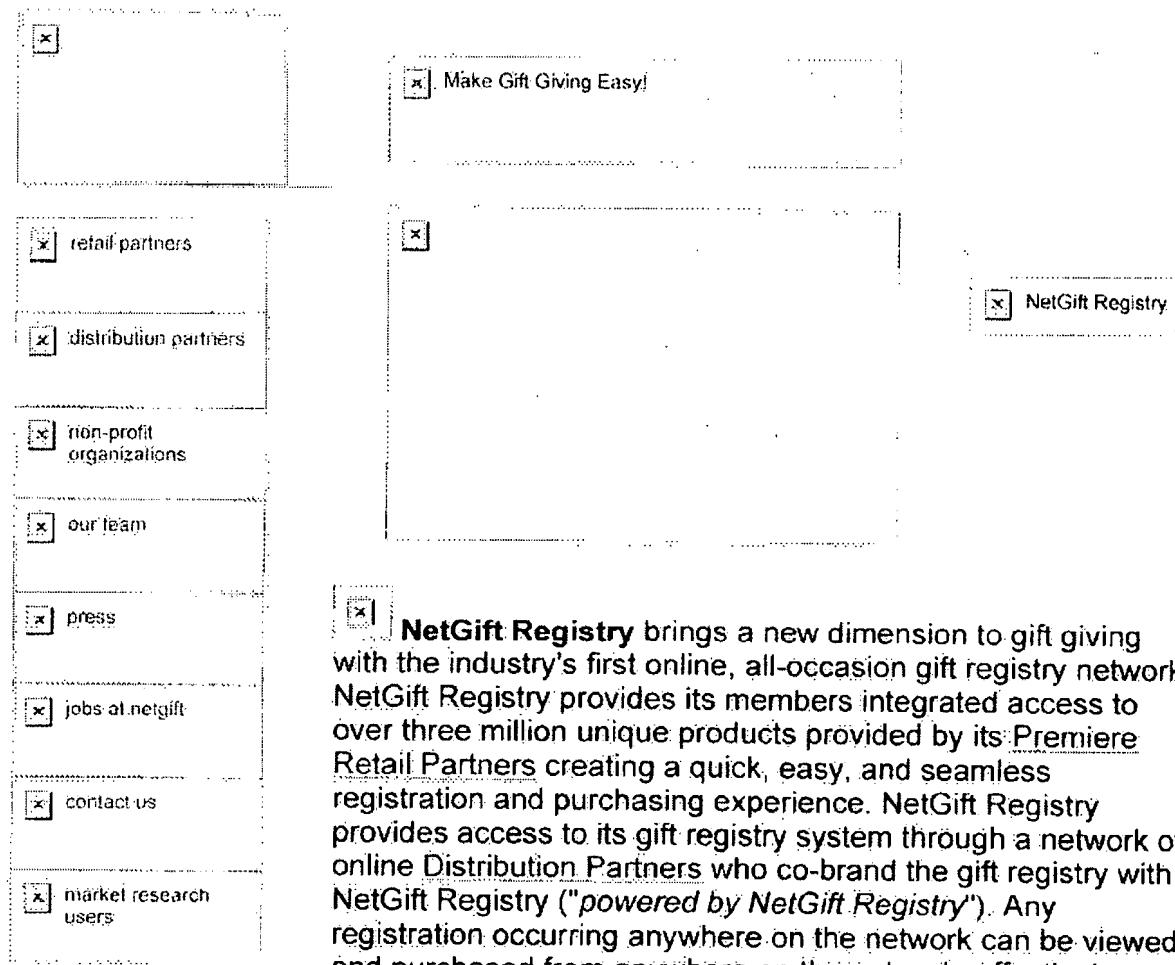


Visit the NetGift Registry corporate site at
www.NetGiftInc.com



Our site is young and we're growing every day. We'd like to hear your comments and we read every one.
comments@NetGift.com





NetGift Registry brings a new dimension to gift giving with the industry's first online, all-occasion gift registry network. NetGift Registry provides its members integrated access to over three million unique products provided by its Premiere Retail Partners creating a quick, easy, and seamless registration and purchasing experience. NetGift Registry provides access to its gift registry system through a network of online Distribution Partners who co-brand the gift registry with NetGift Registry ("powered by NetGift Registry"). Any registration occurring anywhere on the network can be viewed and purchased from anywhere on the network, effectively extending each Distribution and Retail Partner's ability to generate transactions. This unique approach to a gift registry system will ensure that NetGift Registry meets its goal to be the only place on the Internet consumers go to buy gifts.

NetGift Registry was founded by Fusion Ventures, a business development venture capital fund and full service business incubator. The company is led by Steve Furst, CEO, who brings many years of retail experience through his previous positions as President and COO of two publicly traded department store chains. Steve also brings extensive Internet experience through his launch of one of the first transactional department store Internet sites that also included a transactional gift registry system.

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Document View[« Back to Results](#)Document 1 of 2 | [Next >](#)[Print](#)[Email](#)[Mark Document](#)[Publisher Information](#)**How controllers get out front in planning corporate portals--the next "killer" accounting APP**

Anonymous. *The Controller's Report*. New York: Oct 2000.
, Iss. 10; pg. 1, 3 pgs

[» Jump to full text](#) [» Translate document from:](#) [» More Like This - Find similar documents](#)**Other available formats:** [Citation](#) [Full Text - PDF](#)**Author(s):** Anonymous**Publication title:** *The Controller's Report*. New York: Oct 2000., Iss. 10; pg. 1, 3 pgs**Source type:** Periodical**ISSN:** 08952787**ProQuest document ID:** 61879766**Text Word Count** 1130**Document URL:** <http://proquest.umi.com/pqdweb?did=61879766&sid=4&Fmt=3&clientId=19649&RQT=309&VName=PQD>**Full Text (1130 words)***Copyright Institute of Management & Administration Oct 2000*

Intranets, which are clunky and disorganized at many companies, are giving way to corporate portals. Formerly, portals were simple gateways that company employees used to access information with a browser. But the new wave of portals is intuitive to use--much like the portal Yahoo!--and an effective tool for accessing company data, reports, applications, and processes.

Controllers that CR has interviewed say portal planning and implementation is a smart activity to add to a resume for several reasons. First, top management has its eye on portal development, since the concept, when effectively implemented, frees up time for busy managers and employees while reducing information costs. Second, portals have huge potential, and will associate controllers and other advocates with a new system on the desktop. Third, controllers should be involved so that the company portal serves their own information needs. Basics

Corporate portals are sometimes compared to elaborate closet organizers. At large companies, controllers say there is an overwhelming need for portals, since company intranets often include thousands of individual sites (1,600 at Boeing) or hundreds of thousands of web pages (300,000 at

Ford). But even at smaller businesses, CR readers say their intranets are often a jumble of accessible but disconnected sources and streams of information. In most cases, these intranets do not connect company information to any underlying business processes.

Controllers say that corporate portals have a quick effect on companies primarily because they are familiar tools. Without doubt, most employees at your company are already familiar with portals on the Internet, such as **Yahoo!**, **Excite**, or **MSN**. These surround search engines with content that the user has personalized. In theory, these search engines also return links to Web pages that match search criteria.

It would seem a short step from these traditional Internet-based consumer portals to intranet-based company portal. But when it happens, your colleagues see a fundamental change in their computers. Instead of engaging in a series of separate and isolated tasks on the desktop, they will operate within a coordinated and integrated system of company knowledge and processes. CR agrees with most controllers who now use these portals and consider them the next "killer application."

We emphasize that corporate portals do more than help individual employees make sense of corporate information. More importantly, they tie together back office applications, which often focus on cost management, with front-office functions that focus on revenue enhancement. This intersection is the so-called middle office, where companies maximize profit, minimize risk, and coordinate the information streams and people that create their business. CR points out that portals, when presented in this way, have great appeal to top managers, since the middle of face is their playing field.

What Planning Teams Examine

Our interviews with controllers confirm that the most important, difficult, and time-consuming activity in establishing a portal is defining in advance what information and processes the portal should carry. This spadework is essential. Otherwise, a company portal operates like a "legacy intranet" and its focus is lost in all-inclusive information and dysfunctional structure. While there is no single cluster of information and processes that CR readers must have on their portals, Business Finance developed the following wish list, which would satisfy most controllers.

Quick access to accounting and finance applications that the finance department uses. In large and midsize business, this access would include ERP (enterprise resource planning) and ESS (employee self service) application suites.

Quick access to electronic files that hold spreadsheet templates, tax forms, and the accounting procedure manuals.

Links to Web sites of suppliers, customers, or banking partners. These links would provide access to their self-service applications.

Links to Web sites that provide customer credit checking, package shipment tracking, the latest currency exchange rate feeds, and so on.

An electronic inbox that managers can access to review and approve transactions. These might include T&E reports, inventory reorders, payment requests, and employee requisitions.

A navigation and search tool that lets users access intranet report libraries. In this way, your colleagues would find and view archived reports from prior fiscal periods or years.

A navigation and search tool that lets users access intranet document or image servers. In this way, back-office staff would find and view images of invoices, checks, or other financial documents.

Immediate retrieval of urgent e-mail messages.

Pop-up calendars that show corporate events relevant to the finance department.

Business alerts from the ERP system. These would inform employees about budget overruns, inventory shortages or new versions of important reports.

Graphical presentation of the status of T&E reports, requisitions or payment requests as they progress through their workflow cycles.

Costs and Payback

There is a direct relation between the ambitiousness of a portal and its costs. Smaller companies sometimes base their portals on Lotus Notes and Domino. This is inexpensive, provided a company seeks little customization or application integration. In contrast, a straightforward implementation of a major vendor's portal system now has a base cost of \$50,000, provided there is little application integration. Finally, highly customized portals that integrate numerous applications usually cost companies millions of dollars to implement. CR provides a quick rundown on the software companies, as well as a sense of today's hot corporate portal market, in the short exhibit on page 19.

So what's the payback for a corporate portal? Essentially, most vendors say that the biggest benefit—desktop continuity—is not quantifiable. Instead, they emphasize that portals will end today's awkward desktop setups, which separate and segregate functions that are intuitively part of the same process. CR agrees and looks forward to the day when we turn on our PCs and are greeted by a corporate portal, similar to the greeting we receive when we launch our browser and go to our My Yahoo home page.

[Sidebar]

How Change Will Occur Among Players in the Corporate Portal Market

"Predictions of a huge, fast growing market for company portals has created a stampede among vendors. In the past year, more than 100 suppliers began marketing corporate portal products. Vendors such as Corechange, Epicenter, KnowledgeTrack, Infolmage, Plumtree, Sequoia Software, Viador, and others have taken an early lead over bigger rivals, including IBM, Microsoft, Oracle, Sun-Netscape, and Sybase."

"The big vendors were late to market and have yet to make major inroads. But it's only a matter of time until IBM, Microsoft, Oracle, and others climb to the top of the portal vendor heap, especially with large companies whose portal needs are more sophisticated."

"Analysts predict that the market will experience a shakeout in the next year or two, driven by buyouts, mergers, and failures, and that the number of portal vendors will diminish."

Early vendors deserve credit for bringing the concept of the corporate portal to the market. But as start-ups, many of them don't have the resources to compete with those that offer longtime infrastructure.

(Source: Information Week)

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Document View[« Back to Results](#)[« Previous Document 5 of 18 Next »](#)[Print](#)[Email](#)[Mark Document](#)[Publisher Information](#)**Charley's Web: Drawing rivals into the Internet, Schwab takes its biggest risk**

Other available formats:

[Abstract](#)*Ann Monroe. The Investment Dealers' Digest : IDD. New York: Jun. 21, 1999. pg. 1*[» Jump to full text](#)[» Translate document from: Select language](#)[» More Like This - Find similar documents](#)

Subjects:

Discount brokers, Electronic trading, Corporate profiles, Market strategy, Competition

Classification Codes

9190 US, 8130 Investment services, 5250 Telecommunications systems, 3400 Investment analysis, 9110 Company specific/case studies, 7000 Marketing

Locations:

US

Companies:

Charles Schwab & Co. Inc (Ticker: SCH, Duns: 06-302-0804)

Author(s):

Ann Monroe

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The Investment Dealers' Digest : IDD. New York: Jun. 21, 1999. pg. 1

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<http://proquest.umi.com/pqdweb?did=42495792&sid=2&Fmt=7&clientId=19649&RQT=309&VName=PQD>**Abstract (Document Summary)**

Instead of viewing the Internet and its openness as a threat, as most full-time brokerages have until now, Charles Schwab & Co. has embraced it. However, even though Schwab has become the biggest and most successful online trading firm as a result, the firm's future could depend on its ability to capture more of the middle-aged customers depicted in its TV ad. In a word, Schwab's new strategy means advice, and lots of it, both through its own staff of representatives and through its rapidly growing network of fee-based investment advisers - the service being pitched by the baby boomers of the TV ad. Many observers appear to think Schwab has a good chance of succeeding. But whatever the future holds for Schwab, the company has defined the playing field on which its rivals must compete.

Full Text (4028 words)*Copyright Securities Data Publishing Jun 21, 1999*

The biggest advantage of going with an investment adviser is saving time," explain the energetic, baby boomer couple in the TV ad. "His objective and our objectives are similar. We appreciate having him in our life."

The simple, but earnest, marketing pitch on the virtues of brokerage advice is not an advertisement for Merrill Lynch & Co., Salomon Smith Barney, Morgan Stanley Dean Witter Discover-or any of the other traditional full-service brokers that have long touted their financial planning skills.

Surprisingly, it's an ad for The Charles Schwab Corp., which used to be known primarily as the pioneer of discount brokerage. But that was before the age of the Internet, which has transformed Schwab. In so doing, Schwab is forcing a revolution in the Merrills of the world, as witnessed by the latter brokerage giant's recent announcement that it would start offering online trading to its clients, charging the same flat fee of \$29.95 offered by Schwab. The flat rate strategy seems to be working for Schwab: last year it boosted Schwab's client assets by 40%, new accounts rose by 20% and net income rose by 30% to almost \$350 million.

Instead of viewing the Internet and its openness as a threat, as most fulltime brokerages have until now, Schwab has embraced it. However, even though Schwab has become the biggest and most successful online trading firm as a result, the firm's future could depend on its ability to capture more of the middle-aged customers depicted in the TV ad. Schwab may have already been stealing clients from the likes of Merrill, but the firm needs more of them. "We want to reinvent what it means to be a full-service broker," says David Pottruck, Schwab's president and co-chief executive officer, in a phrase that has become the corporate mantra. "We want to be the best firm in the world at blending technology and people to provide exceptional and seamless customer service."

Ambitious, no doubt. But Schwab has already shown its willingness to take risks, from trying the first computerized trading system to fashioning the costly move to flat-fee online trading. Now it's making perhaps the biggest gamble yet in taking on the brokerage giants of the world. After all, the company made its reputation by simply providing reliable trades at a reasonable price. The new Schwab plans to provide research, analytical tools, e-mail alerts, and a personalized Internet portal via Excite. In a word, the new strategy means advice, and lots of it, both through its own staff of representatives and through its rapidly growing network of fee-based investment advisers-the service being pitched by the baby boomers of the TV ad.

Whether or not it succeeds in its ambitious goal is still an open question. To some extent, Schwab's success depends on the continuing fascination with the Internet, and recently when Internet stocks were hit, shares of Schwab dived with them. That makes the strategy of broadening its customer reach critical. During May, trading volume by Schwab dropped by almost 30% from the prior month, which analysts believe is directly related to the sell-off in Internet names. To continue its growth, Schwab must attract more mainstream investors.

Many observers appear to think Schwab has a good chance of succeeding. "How do you put a multiple on a revolution," asked Oppenheimer brokerage analyst Amar Mehta in a recent report praising the firm and its high stock price. Even though off almost 50% from its peak, Schwab shares now trade more than 90 times trailing earnings. Suffice it to say, no full-service brokers can come anywhere near matching that.

Whatever the future holds for Schwab, the company has defined the playing

field on which its rivals must compete. Perhaps the most vivid demonstration of the threat Schwab poses to the firms that have used their financial expertise to justify their hefty fees was the statement by Merrill's retail head, John Steffens, that Schwab has "won round one," reportedly made to attendees at a recent financial conference. Steffen added that the battle isn't over yet, and that's no doubt true. Merrill is already reporting a surge of account openings since the announcement it will offer online trading.

But Schwab does have a big lead. Schwab's market capitalization, which first climbed above Merrill's only six months ago, is now half again as great as that of its mammoth rival. In a world where stock price is the only measure of success, that's quite an achievement, given that Merrill, with \$1.5 trillion in client assets, earned \$17.5 billion in 1998. That's in contrast to Schwab's \$570 billion in client assets (a number that has almost doubled in the last 15 months) and earnings in 1998 of \$348 million.

In saying it wants to create the new model of the full-service brokerage, Schwab is laying claim to a huge territory. As the on-line brokerage industry matures, Pottruck and others predict, it will shake out into three tiers. At one end will be the deep discount brokerages, targeting customers who simply want the lowest possible trading cost. And at the other end will be the traditional full-service brokers whose clients want not just money management but sophisticated financial and tax-planning services and who can afford to pay hefty fees to get them.

And in the middle? That huge ground will include everyone else, from the frequent trader who's willing to pay up a bit for information, service and a reliable brand, to the wealthy investor who seeks advice but would just as soon not pay through the nose for it. These are the customers that, in the past, would almost automatically have gone to a Merrill or a Smith Barney. Perhaps even more importantly, this is a new type of financial investor. "If you look at everybody with bank accounts," says Daniel Leemon, Schwab's chief strategist, "the largest single share of dollars, some 34% of all investable assets, is with the full-commission firms. This business is being driven by the baby boomers. They have roughly 30% of investable assets and will be 90% of asset growth."

"The middle will be really big," Pottruck says. It's also where the competition is expected to be the most heated. "The guys on the bottom are going to try to move up, and the guys on top are going to move to the center. It will be great for the consumer, but very difficult for firms without the resources to compete," he says.

That competition, Pottruck predicts, will be based much more on service and brand than on price. "We already have a pretty price-competitive market," he says, noting that Merrill's new service will only match Schwab's price, not beat it. "We wouldn't move down to match E*Trade," he says, referring to its \$7 per trade (TK??) vs. \$29.95 for Schwab. "We think we're worth more, and can get it." What Merrill's announcement has meant to Schwab, he believes, is that "obviously Merrill doesn't think they're worth more than Schwab. As we compete head-to-head with Merrill, I suspect other full commission firms will find it hard to price themselves above that."

Instead, Pottruck says, the battle will be over who can best offer what consumers want. "The competition will be over making it easy, reliable and accessible in the eye of the customer. For some customers, that means having people to answer most questions over the phone, 24 hours a day, 7 days a week. For some, it means coming in two times a year and having us confirm they're doing the right thing. For some people it's Web seminars.

For some, it's a site that's incredibly reliable, fast, and virtually never down."

Schwab's view of the future seems to be shared by Merrill and by a handful of other competitors like mutual fund giant Fidelity TK, as well as by many analysts. But most of the firm's rivals are only beginning to move in that direction. Discount brokers like E*Trade Inc. and Discover are starting to offer more research and analytical tools. Yet they continue to compete primarily on price, even offering prizes and cash payments for opening accounts.

At the other end, traditional full-service brokers (the ones Schwab executives gleefully describe as "full-commission brokers") are still approaching the Internet as a kind of extra goody for their customers, not a fundamental investment vehicle. Prudential Securities Inc., for instance, is offering \$29.95 Internet trades but that's on top of an asset-based fee of up to 150 basis points. That pricing structure has been roundly attacked by the firm's competitors. "We find it confusing," says one. "If you're in a fee-based program anyway, why would you pay a transaction fee?"

After Merrill, perhaps the firm with the most to lose from Schwab's new strategy is Salomon Smith Barney, the number two full-service broker. But that firm is sanguine about the changing world. "I get asked all the time, why should I come to Salomon when I could go to E*Trade," says Steve Clifford, director of interactive marketing and services at Salomon Smith Barney. "But our clients aren't coming to buy 100 shares of IBM. They have restricted stock they need to margin, or their wealth is tied up in their family business and they would like to buy a house, or they're incredibly concentrated in one stock."

The firm is planning to offer Internet trading, Clifford says, but simply as an extra service for clients who want to trade that way. He says that Merrill's recent announcement hasn't affected these plans. "Frankly," he says, "if a client wanted to trade a part of their assets themselves, we'd advise them to go to Citi," which offers low-priced Internet trading. PaineWebber, in response to Merrill's move, also has said it will offer online trading.

Of course, none of the brokerages are keen to move online, and they only are doing so in fear of losing customers. That's one reason Merrill bit the bullet, says Dan Burke, senior banking analyst at Gomez Advisors, a technology consulting firm (TK?). "If a client has \$500,000 in a Merrill account and goes to Schwab or E*Trade, they suddenly realize wow, look at all the tools these sites have. I'm getting 80% of the value at Merrill for 20% of the price." That's a major concern to Merrill Lynch. They want to control where these people go, and if they do online trading, they want to make sure they do it through them."

Indeed, Burke says, that's probably one reason Merrill made its announcement six months ahead of actually offering it. "I believe they're trying to put a stake in the ground and alert people, to try to stem customer losses. We're going to have this in place by December, they're saying, so before you go somewhere else, think about what we're going to offer."

That approach is part of Merrill's problem, argue Web specialists. Traditional firms have been reluctant to face a fundamental fact of the Internet business: they cannot keep their customer to themselves. The secret is to figure out what parts of the customer relationship it's important to hang onto and to relax about the rest, argues Charles Ogilvie, chief marketing officer for Security First Technologies, which creates financial-services Internet software. "I don't need a broker to charge me \$300 to buy Microsoft," he says, "but to the extent he or she is aware I bought

Microsoft, he can suggest that I look at Merck or a utility to offset the risk of the pure technology play. He can still be involved in helping me make decisions."

The notion that clients don't need a broker for everything is difficult for the oldtime wirehouses to accept. After all, their brokers have long been a cash cow. "Their franchise walks out of the door at night and goes to the Junior League or Chamber of Commerce meeting and works the community," he says. "They can't upset that, but at the same time the end user is changing the way he wants to do business because of a societal change. So how do you bet on something that won't necessarily make the numbers this quarter or next but is the way people are doing business? How do you bridge those two?"

George Simeone, a partner in Deloitte Touche TK's securities and banking practice, suggests that many traditional firms would be wiser to use the Internet to offer what they're best at giving advice and outsource the trading to someone who can do it more cheaply. (In a recent study the firm did, it found that costs per online stock trade ranged from a low of \$4.25 to a high of \$25.) Most full-service firms, though "don't want to give up their destiny," says Simeone. "They want to control access to customer information, and they have enough capital that they can hold out."

Perhaps only in contrast can the novel strategy of Schwab best be appreciated. The firm touts openness as one of its great strengths, based on the belief that the customers it is targeting don't like to be told what to do. "One of the main underlying themes in the baby boom generation is control," Leemon says. "They want choice of channel and product, 24-hour capability, and unbiased help and information. They look at the old-fashioned broker model and scratch their heads."

Offering a selection of other firms' research makes these customers see Schwab as more trustworthy, he adds. "Historically, brokers have said our research is better than anybody else's. We say that our job is not to try to outguess anybody, but to pull it all together. Whatever you want to do, we ought to be able to get you to six pages that will enable you to do it and cut out the clutter."

One of Schwab's more intriguing recent offerings takes the concept a step further. It's a portal site, the word for sites that open up to others on the Internet (?). Called MySchwab, it has been launched in partnership with Excite Inc. ?. While the site, available to customers and non-customers alike, offers easy access to Schwab's own site, it's totally separate; customers can add their own favorite links (even a link to Merrill Lynch if they want), and get personally-selected news, weather, sports and comics.

Many other financial firms are studying portals, in an attempt to become what is called a "sticky" site-Web-speak for a site to which customers keep returning. One of Security First's main pitches, in fact, is that the firm's software allows the financial institution using it to become a customer's main Internet site. Other firms are trying to stake out territory on more generalized portals, as Citigroup has done in becoming the financial sponsor of Netscape's site. But Schwab, in its alliance with Excite, has taken a unique tack and quite deliberately, says Leemon.

"There are a couple of ways to think about portals," he says. "One is we've got you and we're going to keep you here by having a lot of other stuff to sell. That is to us a very old-fashioned bank and broker model. It doesn't say I'm going to create a place you'd like to be. It says I'm going to keep selling you stuff and hope I get more money out of you."

Schwab didn't want to distract its own staff by asking them to design the portal it wanted, he says. "It's quite a challenge these days to make sure your Web site has the latest and greatest, and we have a wish list as long as your arm. So we looked at various players, and decided Excite had the strongest technology." Excite also offered Schwab more personalization capability than other portals, he adds.

But there's also a strategic reason to offer the portal through Excite. "We would like a lot of non-Schwab customers to come there and stay there," Leemon says, "and there's a very delicate choreography on the Web of how aggressively you can approach non-customers. We felt that Excite brings a degree of objectivity that would give comfort to non-customers. Our goal is not to get in their face and market to them, but simply to give them opportunities to sample our products and tools."

Does it make sense for a financial company of any kind to expect to be a customer's all-purpose, first-visit Web site to go head-to-head with the Yahoos and the Excites? Security First's Ogilvie argues that while not every broker is going to be a customer's single top site, they can and should aim to be one of the top three to five. For one thing, he says, they can provide better customer service than any of the major portal sites, including Quicken.com. "I may go to a Yahoo or a Quicken site for data," he says. "But if I expect them to wire \$40,000 into my bank account and it's not there, I'm not going to be happy fixing the problem by e-mail. I want to talk to somebody." A financial institution that can combine low-cost customer care with a personalized site has a real edge, he insists. Schwab, recognizing that Excite's customer support is poor to non-existent, is training its own tech support people to support the Excite page as well.

Whether Schwab can pull this off is anyone's guess. But the one skill the company has most vividly demonstrated in its relatively short lifespan is perhaps the one most valuable in an Internet world: the ability to shift gears quickly and move on. Indeed, in the company's San Francisco headquarters there's a collection of Schwab tools that were to put it kindly-ahead of their time. There's a hand-held device for downloading stock quotes through an FM receiver, and there are boxes of old on-line trading software: the Equalizer and StreetSmart.

Even Schwab's first online trading venture, e-Schwab, had its problems. But these were related to its pricing, not the technology. Ironically, when Schwab introduced its tiered pricing in 1996, it was trying to do what Merrill is planning to do six months from now. Merrill's pricing plan, as the firm announced it this month, reserves the bells and whistles for customers paying fees of at least \$1,500 a year. Customers that use the firm's cut-rate \$29.95-a-trade offer won't get research or advice. ("Their \$29.95 deal is E*Trade, not Schwab," smirks Pottruck.)

Three years ago, Pottruck was offering the same deal: anyone who wanted to trade for \$29.95 had to trade online. Period. One phone call a month to a live person was all they were allowed. Customers that wanted more than that had to pay full fare of \$1,000, with a 20% discount if they actually placed the trades online.

Even under that fee schedule, the firm's online business exploded, reaching \$81 billion by the end of 1997. But looking under the surface, Pottruck and chairman Charles Schwab realized they were building themselves a long-term problem: resentful customers. Full-fare customers were angry that they weren't getting lower prices, and the discounted online customers objected to the lack of service.

So, last year, the company decided to offer the same deal to everyone: \$29.95 trades and free access to all the bells and whistles the firm could provide. The decision was painful: a \$150 million hit to earnings that in 1997 only totaled \$270 million.

Although the decision dampened earnings early in the year (and made employees, who hold 40% of the company's stock, decidedly edgy), the payoff came quickly. For the full year 1998, the firm's income surged.

The success of that risky decision has only intensified the company's commitment to customer service as the way to win. The firm's Web site now offers a slew of research. For example, there are analyst consensus reports from First Call, Washington analysis from the Washington Research Group, company reports from Credit Suisse First Boston and Hambrecht & Quist Inc., insider-trading reports from Vickers tk, industry research from Standard & Poor's, live CEO interviews from Briefing.com, and a sophisticated stock screening service. Most of these services are free to all investors. Those with under \$100,000 in assets or less than 12 trades a year have to pay for the stock screening tool, after a week's free trial.

Pottruck claims that the firm is also the premier mutual fund research organization in the world. For instance, its Web site offers an asset allocation tool that measures a client's holdings against his desired risk-reward ratio, it and suggests other funds that might better meet his goals.

The company has also developed an e-mail alert service that will tell an investor when a stock or mutual fund reaches a pre-set high or low. And it's working on a system that would alert a client to new stocks or funds that come closer to his pre-set investment goals than those currently in the portfolio. For extremely wealthy customers, with assets over \$500,000, the firm will assign up to eight designated consultants to help manage their portfolios.

Schwab's passionately held strategy is to launch even an imperfect product, rather than let anybody else go first. That's how the firm beat Fidelity onto the Internet: the big fund firm wouldn't go online until it was absolutely confident of its Web site, while Schwab went online the minute it had something that worked.

"We can't wait until we have the ultimate solution," Pottruck says, "because the ultimate solution keeps redefining itself." But even that, he argues, helps the firm develop its relationship with its customers. "We let our customers fine-tune it," he says. "We get wonderful feedback from them."

A current case in point: the firm's Web site requires customers to sign in all over again every time they switch accounts. Pottruck, with 27 accounts at the firm, knows better than most how inconvenient that is. "You should be able to log on once, tell us what all your accounts are, and every account should be active." The firm will get there, he promises.

Another issue is reliability. While Schwab hasn't had the problems some of its rivals have had, it has had serious outages, and that, says Pottruck, is unacceptable. "We're available 99.5% of the time, but we want it to be 99.99%," he insists. Most of the failures have been outside of Schwab's control, stemming from problems with vendor components. So the firm is building backup capacity that it hopes will limit any outages to a minute or less. "It's going to take us the better part of two years," he says. "It costs almost as much money to close that last half of one percent as it did to build the other 99.5%."

Part of Schwab's success, says Pottruck, comes from its practice of playing around with the next strategy while working on the current one. "We started with third-party mutual funds in 1984 and with the advice business in 1987, but it wasn't until 1991 that both took off."

So what's next? International expansion, he says. Indeed, that's where Leemon is already putting a lot of his attention. "We look at England, the continent and Japan and the rest of Asia and we get a sense of an awakening giant," he says. The firm has operations in Canada and the U.K., three offices serving Latin American and Spanish-speaking U.S. customers, a Hong Kong office as a toehold in Asia, and a large Chinese language Web site.

Unlike some of its rivals, Schwab has decided it will own and operate all its overseas activities itself, rather than licensing its name or forming joint ventures. It's part of the firm's careful cultivation of its brand name, Leemon says. "Our business is all about the customer experience and the quality of customer service, so if our name is on it, we want to run it."

What ties all Schwab's varying initiatives together, Leemon says, is the firm's commitment to what he calls open information. "The thing about the Web environment is that it's absolutely transparent. If we don't have the best information sources, if we pick a poor provider, if our site is slow, everybody knows it immediately. I don't think some of our competitors think their customers own calculators."

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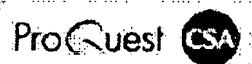
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This is the year the online gift registries will get the answer to those questions, and a hint about their prospects for survival. All kinds of companies, including shopping portals with merchant links, have come out with gift-registry services. Their goal is to be the single online destination for gift recipients, gift givers and online retailers that can supply the goods.

Full Text (758 words)*(Copyright 1999 by the Sun-Sentinel)*

This holiday season, I'm making a list and checking it twice, but it's not gifts for other people. I'm making a list of goodies that I want so friends and family can get me the right stuff, and it's the latest trend on the Internet.

But will they actually look up my list on the Internet and buy me gifts that I request? I don't think so.

For one thing, some of the gift registries were slow, confusing and difficult to use — and I use a computer all the time. I wonder how someone less adept would fare.

For another, do people really want to be told what to get for someone else?

It's one thing to ask people to buy gifts off a registry for a wedding or baby shower, but is it right to direct them to a gift list just for the holidays?

This is the year the online gift registries will get the answer to those questions, and a hint about their prospects for survival. All kinds of companies, including shopping portals with merchant links, have come out with gift-registry services. Their goal is to be the single online destination for gift recipients, gift givers and online retailers that can supply the goods.

At the top of the list is Netgift.com, a network of registries located on portals, content sites and charitable organization sites. Through a partnership with Inktomi shopping engine, NetGift offers a turnkey registry with merchandise from more than 300 stores.

This site, like all of the sites, requires registration and selection of a password. (Make sure to check the privacy policy on all gift registry sites to find out how they use the information you supply.) I found Netgift.com to be best site for finding unusual gifts. It was also easy to use, although I did have some difficulty adding items to my gift list.

Della.com has been re-launched from a mere online bridal registry into an all-occasion gift site. Della & James run it. The site has partnered with name-brand retailers such as The Gap and Neiman- Marcus, but it also showcases products from many other stores and processes the purchase transactions at the Della site instead of sending the consumer to the retailer.

Della.com was easy to navigate and use. It had somewhat limited selection at some of the shopping sites but the merchandise was high quality and nice. It was easy to add and delete items off my gift list. Once again, though, sometimes the site took longer than it should to complete the tasks.

The Los Gatos, Calif.-based Wish.com offers a gift registry, e-mail gift reminders and event planning. It also provides co-branded gift registry and event-planning services to merchant partners. It was easy to navigate and use but it was still very time-consuming.

San Francisco-based WishConnect.com allows consumers to add products to a wish list by cutting and pasting a URL into a wish- list page. Participating merchants can incorporate free "add to wish list" code in their product pages. But this site is cumbersome and confusing. I had a hard time figuring out how to add products to my registry.

Wishlist.com lets you compile gift lists by choosing different categories like clothing, electronics, toys and more from various retailers. I tried to compile a wish list at the site and found it difficult to use and very slow. It even knocked me off the site for "inactivity" while I was trying to search electronics sites for the latest Palm Pilot.

iveBeenGood.com, an Austin, Texas-based start-up company backed by Trilogy Software, is focused solely on the holiday season. It requires an applet download that allows consumers to capture wish- list information from any Web merchant by right-clicking the mouse. I got a lot of error messages while I shopped on this site. I finally gave up.

In addition to the gift registry sites, many retailers including Amazon.com, CDNow.com and eToys.com allow customers to create their own registries, which gift buyers can view by typing in the recipient's name or e-mail address.

But I'm going to stick to the old-fashioned way of compiling my gift list. I'll drop hints to my husband, circle products in catalogs and write up a list for Santa.

Those gold teardrop earrings from Tiffany's sure would look nice under my tree, for instance. But, please, Santa -- no more software this year.

L.A. Lorek can be reached at llorek@sun-sentinel.com or 561-243-6621. You can hear Laura Lorek on Newsradio 610 every Thursday at 8:21 a.m., 11:21 a.m. and 5:21 p.m.

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With the growth of E-commerce has come an explosion in the demand for commerce servers. Commerce servers include sell-side products, which let businesses sell to consumers and other businesses over the Web, and buy-side applications, which let businesses order from suppliers. Sell-side commerce server vendors fall into 2 groups: platform and toolkit providers, and packaged application providers. Platform and toolkit products offer design flexibility, but they are expensive to implement. Packaged products often come with rich features and are inexpensive and easy to implement, but it is often difficult to add features.

Full Text (2275 words)

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[Headnote]

Choosing the right commerce-server vendor is a critical decision

With the growth of E-commerce has come an explosion in the demand for commerce servers, software that manages the presentation of products and handles secure transactions. Dozens of vendors—large and small—have jumped into the rapidly growing market, complicating the decision about which product to use.

Commerce servers include sellside products, which let businesses sell to consumers and other businesses over the Web, and buy-side applications, which let businesses order from suppliers.

Forrester Research estimates that the market for sell-side commerce software, the focus of this article, will rise to about \$300 million this year, from \$113 million in 1998, and soar to \$1.4 billion by 2002.

The growth is being driven by the rapid increase in online purchasing by businesses and consumers. Forrester forecasts that business-to-business commerce over the Web will reach \$1.3 trillion in 2003 and that online sales to consumers will reach \$108 billion the same year. The research firm also predicts that 98% of companies with more than 5,000 employees, and 85% of those with 1,000 to 5,000 employees, will be selling online by 2002. Since each company must consider the best way to take advantage of the Internet, choosing the right commerce server is a pressing issue for many IT departments.

The first commerce servers, introduced just four years ago, mainly handled transactions and taxation, and linked to order fulfillment systems. Today, products are differentiated by cost, ease of implementation, ability to integrate with enterprise resource planning and other back-office systems, and, perhaps most important, personalization features.

Many companies are looking for commerce servers and related applications that let marketing departments dynamically change Web content and that can capture visitor profiles, identify users, and present products personalized for individual customers. The goal is to develop one-to-one relationships with customers to win their loyalty and cut the high cost of acquiring new customers.

Sell-side commerce server vendors fall into two groups, according to Erica Rugullies, director at Giga Information Group: platform and toolkit providers, and packaged application providers. Platform and toolkit products offer design flexibility, but they're expensive to implement. Packaged products often come with rich features and are inexpensive and easy to implement, but it's often difficult to add features.

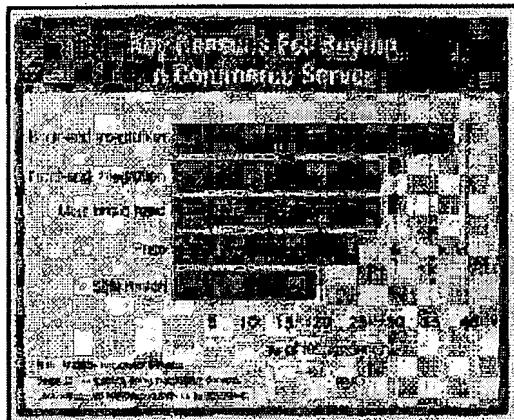
Platform And Toolkit Vendors With the platform and toolkit approach, less than 20% of the cost of setting up a commercial site goes to commerce-server software fees. The remainder is spent on development, integration, and third-party applications. This approach is best suited to large companies that want a greater degree of flexibility than packaged applications can provide and that have a large staff of developers to create and develop the site. Here's a closer look at the leading platform and toolkit providers.

IBM

In September 1996, IBM introduced its first products and services to support end-to-end electronic buying and selling on the Web. Today, nearly 10,000 Web sites are powered by IBM commerce servers. While it still has only a modest 2% market share, according to Dataquest, sales of its commerce server products are growing at better than 100% a year.

The company's Net.Commerce line of products includes IBM Net.Commerce Start 3.2 for small and midsize businesses. It features a store-creation wizard, the IBM Payment Server for secure payment processing, and support for the DominoGo Webserver.

Enlarge 200%
Enlarge 400%



Key Reasons For Buying A Commerce Server

IBM Net Commerce Pro 3.2 gives large companies more sophisticated commerce features and the ability to integrate into existing core business systems. It has Advanced Catalog Tools to create shopping advisers, intelligent search methods to assist with product selection and purchasing, and tools that facilitate back-end integration with legacy software. Both products can operate on the IBM AIX, S/390, AS/400, Windows NT, and Sun Solaris platforms.

IBM's commerce-server products support industry standards, including Open Buying on the Internet, Extensible Markup Language, and the Open Trading Protocol. IBM, of course, has a global services operation and financial muscle only a few technology companies can match. After struggling in the early 1990s, the company has been outperforming most smaller competitors for the past two years, largely because of its focus on E-business. Revenue for the period ended June 30 was \$21.91 billion, up 16% from the second quarter of 1998. Net income rose 60% to \$2.39 billion, including gains from the sale of IBM's Global Network.

Microsoft

Microsoft Site Server Commerce Edition, a commerce server optimized for Windows NT Server, provides a comprehensive set of tools, server components, and features for setting up a site, managing online promotions, changing product mixes in real time with a Web browser, creating Web catalog pages, managing user profiles, and analyzing usage trends. The company plans to introduce a BizTalk Server next year, which will be based on XML.

SmarterKids.com Inc., a children's educational product retailer in Needham, Mass., began creating a Web site in April 1998 with the aim of selling on the Internet by the Christmas season. A big reason it chose Microsoft's commerce server was that it had a team of developers who knew Windows NT applications. The company also found the price attractive and liked the fact that many independent software companies are developing tools and applications for Site Server.

Using Fry Multimedia to help develop the Web front end and in-house engineers to develop the back end, SmarterKids.com met its goal. The site gets more than 1 million hits per month, according to Richard Secor, the company's CIO and VP of IS. He says revisions to the site are so easy that SmarterKids.com has taken over the development process for a new site that will support 20,000 concurrent users.

Microsoft has been beefing up its E-commerce offerings and is developing strategic partnerships with a variety of companies so that it can offer a complete line of products and services. Sales of the company's commerce-server offerings jumped 187% to \$8 million in 1998, according to Dataquest, giving it about 6% of the fractured market.

One advantage to buying a commerce server from Microsoft is you don't have to worry about the company going out of business any time soon. Microsoft has an equity market capitalization of more than \$500 billion and represents more than 4% of the Standard & Poor's 500 Index. In

the latest quarter, revenue rose 39% year over year to \$5.8 billion. Net income soared 55% to \$2.1 billion.

Packaged Application Vendors

Packaged applications cost more up front but are easier to implement. Many products have advanced features, though they sometimes require custom integration with back-office applications, and adding new features can be cumbersome. Here's a look at some of the leading vendors of packaged applications.

BreadVision

BroadVision Inc. has 18% of the commerce-server market, putting it just behind Open Market Inc., according to Dataquest. The company's main product, One-To-One Enterprise, was introduced in December 1995. Two years later, it released three complementary applications—One-To-One Commerce, One-To-One Financial, and One-ToOne Knowledge—that provide enhanced functionality for customers involved in managing one-to-one relationships within product merchandising, financial services, and knowledge management.

BroadVision's products are used in many high-profile Web sites, including Intuit's Quicken, InsureMarket, Circuit City's E-Superstore, and Home Depot's Web site.

NetGift Registry LLC, a Durham, N.C., a startup launched last week, chose BroadVision's One-To-One Commerce because of its bundle of profiling and personalization tools. NetGift lets users select gifts they want from a list of more than 350 merchants and then post the list on the site, or E-mail it to friends and family. Through the registration process, NetGift creates a "gift circle." Members of a circle will be reminded of birthdays, anniversaries, and graduation dates and be told what the celebrant actually wants.

"It's viral marketing," says CEO Steve Furst. "The way BroadVision is designed, we can get in and interrogate the data easily."

BroadVision's total revenue for the quarter ended June 30 was \$23.5 million, an increase of 106% over the second quarter of 1998. Net income for the period was \$3.3 million, compared with net income of \$693,000 in the year-earlier quarter. The company attributed the rise in revenue to the release of version four of its OneTo-One Enterprise in September 1998 and the introduction of enhanced versions of One-ToOne Commerce and One-To-One Financial last December. Last June, BroadVision began shipping two new versions of its commerce server with specific functionality for business-to-business extranets and for high-volume business-to-consumer electronic storefronts.

InterWorld

InterWorld Corp.'s Commerce Exchange commerce-server product is supported by several applications, including Product Merchandising, Order Management, and Account Management. The company also sells software tools, including development tools to add functions to the system, administration tools to manage the site, and reporting tools to measure results. Business adapters are available to integrate Commerce Exchange with existing back-office systems.



Enlarge 200%
Enlarge 400%

[Photograph]

Big project:  Oki Data Americas spent "in the six figures" to implement its server, including professional services and designers, says Broadbent.

The company has more than 70 clients, including BP Australia, GTE Communication Systems, Guess,  Mattel,  Nike, Nippon Telegraph and Telephone, and  Seagate Technology.

On Aug. 11, InterWorld was listed on the Nasdaq with the ticker symbol INTW. The company sold 3 million shares at \$15 each, raising \$45 million. The stock opened its first day of trading at \$17.19 and closed at \$17.75. Although InterWorld lost \$14.6 million on revenue of \$22.1 million last year, the stock rose as high as \$41 before settling back to around \$30 last week.

For  Oki Data Americas Inc. of Mount Laurel, N.J., which sells printers and computer peripherals, linking its Web site to its SAP enterprise resource planning system was essential. The company chose InterWorld's Commerce Exchange server after looking at a long list of contenders. Craig Broadbent, manager of electronic marketing at  Oki Data, says InterWorld's architecture was a major factor. Broadbent says the implementation—including professional services, servers, and graphics designers—went into the six figures.

 Oki Data looked at the size of InterWorld, which Gartner Group estimated to have sales for commerce software of \$10 million in 1998. "It didn't change our decision," says Broadbent. "They had a good customer list and the product we wanted."

Open Market

Open Market captured about 21% of sales for commerce-server software in 1998, according to Dataquest, making it the biggest player in the market. It counts  Acer,  Ingram Micro, Lycos,  Milacron,  Siemens,  Sony, and The Wall Street Journal Interactive Edition among its customers.

The company's flagship product, Transact, provides end-to-end transaction services, including online customer authentication and authorization; online order and payment processing; automated tax and shipping calculations; online order tracking and status; and online customer service. Its LiveCommerce online catalog product lets companies create personalized catalogs, and its ShopSite application lets small businesses build their own Internet storefronts.

The company was founded in 1994. It had net revenue of \$18.6 million for its second quarter ended June 30, a 13% increase over the year-ago quarter. Open Market reported a net loss of \$1.9 million for the period, compared with a net loss of \$11.1 million for the second quarter of 1998.

Lycos, the Waltham, Mass., Web community and portal, chose LiveCommerce and Transact for a new site that will integrate auctions, classified ads, and retailing into a one-stop shopping mall that provides a single checkout with verified transactions. Cory Eaves, Lycos' director of E-commerce products, says part of Open Market's appeal was the company's willingness to work on a special plan. "Straightahead licensing is just the default agreement," he says. "There's a world of choices."

While Open Market is tiny compared with  Microsoft or  IBM, that didn't phase Lycos when it was making the decision. Eaves and his team looked at some sites built using LiveCommerce. They liked the fact that the product provides the ability to deploy several different types of commerce sites. "Most sites focus on the transaction," Eaves says. "Our premise is that people really focus on the research and sharing of ideas."

**[Photograph]**

Clear view: Most sites focus too much on transactions, says Lycos' Eaves, when people really want to focus on research and sharing ideas.

[Sidebar]

Armonk, N.Y. 914-499-1900

www.software.ibm.com/commerce/net.commerce

Principal executives: Lou Gerstner, CEO; Ed Kilroy, general manager of E-commerce; David Liederbach, VP of E-commerce marketing; John Schedesk, VP of E-commerce development

Employees: More than 250,000

1998 revenue: \$81.6 billion

Major products: IBM Net.Commerce,

IBM Payment Suite

Strengths

Good integration to third-party business systems

Strong server platform

Weakness

Many commerce features are add-ons or from outside vendors

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[Sidebar]

Microsoft Redmond, Wash. 425-882-8080

www.microsoft.com/dns/ecommerce

Principal executives: Steve Ballmer, president; Tod Nielsen, VP, developer group; Charles Stevens, VP, business solutions group

Employees: 32,000

1998 revenue: \$14.4 billion

Major products: Site Server Commerce Edition

Strengths

Inexpensive

Built on a well-accepted platform

Flexible and easy to customize

Weaknesses

Requires experienced developers

Hard to integrate to external apps

[Sidebar]

BroadVision

Redwood City, Calif. 650-261-5100

www.broadvision.com

Principal executives: Pehong Chen, chairman, president, and CEO

Employees: 350

1998 revenue: \$50.1 million

Major products: One-To-One Enterprise, One-To-One Commerce, One-To-One Knowledge, and One-ToOne Financial

Strengths

Marketing analysis, personalization, and infrastructure

Weaknesses

Products reports are hard to share

Limited support for market segments

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[Sidebar]

InterWorld New York 212-301-2500

www.interworld.com

Principal executives: Michael Donahue, chairman; Alan Andreini, president, CEO, and CFO

Employees: 280

1998 revenue: \$14.6 million

Major products: interWorld

Commerce Exchange

Strengths

Business-process design orientation

Easy customization

Strong front-end and back-end functions

Weaknesses

Lack of merchandising No sample sites

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[Sidebar]

Open Market Burlington, Mass. 781-359-3000

www.openmarket.com

Principal executives: Gary Eichhorn president and CEO

Employees: About 400

1998 revenue: \$62.1 million

Major products: LiveCommerce, ShopSite, Transact

Strengths

Strong order management, payment processing, and digital content distribution features

Secure link technology

Weaknesses

Front-end features aren't as strong as other packaged applications No reporting

Poor development tools for the secure link technology

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